

PETROQUEST ENERGY INC.

Consolidated Balance Sheet

(unaudited)

(Amounts in thousands, except per share data)

	September 30, 2020	December 31, 2019
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 9,827	\$ 2,909
Restricted cash	395	389
Revenue receivable	1,696	3,798
Joint interest billing receivable	2,515	5,505
Deposit for surety bonds	-	262
Other current assets	318	647
Total current assets	\$ 14,752	\$ 13,510
Property and equipment:		
Oil and gas properties:		
Oil and gas properties, full cost method	96,812	88,345
Unevaluated oil and gas properties	125,324	121,136
Accumulated depreciation, depletion and amortization	(66,341)	(22,304)
Oil and gas properties, net	155,795	187,177
Other property and equipment	387	387
Accumulated depreciation of other property and equipment	(203)	(51)
Total property and equipment	155,979	187,513
Other assets	182	4
Right of use asset	489	1,307
Total assets	\$ 171,401	\$ 202,334
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable to vendors	\$ 3,739	\$ 5,622
Oil and gas revenue payable	3,218	4,213
Accrued interest	-	205
Asset retirement obligation	603	603
Other accrued liabilities	1,633	-
Right of use liability-short-term	228	904
Total current liabilities	9,422	11,547
Multi-draw Term Loan	54,895	46,294
10% Senior Secured PIK Notes due 2024	82,482	73,745
Asset retirement obligation	2,012	1,944
Deferred income taxes	694	694
Other liabilities	603	-
Right of use liability-long-term	185	320
Total liabilities	150,293	134,544
Stockholders' equity :		
Common stock, \$.01 par value; authorized 65,000 shares, issued and outstanding 9,477 and 9,371 shares, respectively	95	94
Paid-in capital	77,010	76,106
Retained deficit	(55,997)	(8,410)
Total stockholders' equity	21,108	67,790
Total liabilities and stockholders' equity	\$ 171,401	\$ 202,334

PETROQUEST ENERGY INC.
Consolidated Statements of Operations
 (unaudited)
 (Amounts in thousands, except per share data)

	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019
Revenues:		
Oil and gas sales	\$ 6,884	\$ 12,913
Expenses:		
Lease operating expenses	3,081	4,314
Production taxes	352	689
Depreciation, depletion and amortization	2,460	4,239
Ceiling test write-down	4,895	-
General and administrative	1,481	2,720
Restructuring expense	400	23
Accretion of asset retirement obligation	(2)	47
Interest expense	1,150	340
Lease costs	157	272
	13,974	12,644
Other income:		
Other income	54	73
Loss from operations	(7,036)	342
Income tax expense	-	-
Loss available to common stockholders	\$ (7,036)	\$ 342
Net loss per common share:		
Basic	\$ (0.74)	\$ 0.03
Diluted	\$ (0.74)	\$ 0.03
Weighted average number of common shares:		
Basic	9,477	9,371
Diluted	9,477	9,935

PETROQUEST ENERGY INC.
Consolidated Statements of Operations
 (unaudited)
 (Amounts in thousands, except per share data)

	Successor		Predecessor
	Nine Months ended September 30, 2020	February 9, 2019 through September 30, 2019	January 1, 2019 through February 8, 2019
Revenues:			
Oil and gas sales	\$ 21,023	\$ 35,353	\$ 6,657
Expenses:			
Lease operating expenses	11,263	10,656	2,158
Production taxes	1,075	1,864	298
Depreciation, depletion and amortization	9,664	10,657	1,796
Ceiling test write-down	34,524	-	-
General and administrative	6,943	7,706	2,468
Restructuring expense	1,681	1,975	-
Accretion of asset retirement obligation	67	116	17
Interest expense	3,165	1,171	307
Lease costs	565	725	156
	<u>68,947</u>	<u>34,870</u>	<u>7,200</u>
Other income:			
Other income (expense)	305	288	(290)
Income/(Loss) from operations	(47,619)	771	(833)
Reorganization items, net	-	-	262,801
Income tax (expense)/benefit	31	(453)	(241)
Income (loss) available to common stockholders	<u>\$ (47,588)</u>	<u>\$ 318</u>	<u>\$ 261,727</u>
Net income (loss) per common share:			
Basic	\$ (5.08)	\$ 0.03	\$ 9.50
Diluted	<u>\$ (5.08)</u>	<u>\$ 0.03</u>	<u>\$ 8.92</u>
Weighted average number of common shares:			
Basic	9,476	9,371	25,587
Diluted	<u>9,476</u>	<u>9,935</u>	<u>27,289</u>

PETROQUEST ENERGY INC.
Consolidated Statements of Cash Flows
(unaudited)
(Amounts in thousands)

	Successor		Predecessor
	Nine Months Ended September 30, 2020	February 9, 2019 through September 30, 2019	January 1, 2019 through February 8, 2019
Cash flows from operating activities:			
Net income (loss)	\$ (47,588)	\$ 318	\$ 261,727
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Deferred tax expense	-	453	241
Depreciation, depletion and amortization	9,664	10,657	1,796
Write-down of oil & gas properties	34,524	-	-
Accretion of asset retirement obligation	67	116	17
Share-based compensation expense	905	1,787	44
Amortization costs and other	2,416	1,614	555
Payments to settle asset retirement obligations	-	(807)	(11)
Non-cash reorganization items, net	-	-	(267,585)
Revision to Right of Use Assets	222	-	-
Changes in working capital accounts:			
Revenue receivable	2,102	10,272	(7,340)
Joint interest billing receivable	2,914	(1,651)	(2,192)
Accounts payable and accrued liabilities	(3,329)	(17,018)	8,363
Advances from co-owners	1,469	(3,075)	1,343
Refund of surety bonds	262	3,475	-
Other	932	(329)	2,336
Net cash provided by (used in) operating activities	4,560	5,812	(706)
Cash flows used in investing activities:			
Investment in oil and gas properties	(3,065)	(27,831)	(5,290)
Investment in other property and equipment	-	(109)	(36)
Net cash used in investing activities	(3,065)	(27,940)	(5,326)
Cash flows (used in) provided by financing activities:			
Deferred financing costs	(101)	-	(111)
Proceeds from borrowings	5,530	-	-
Net cash (used in) provided by financing activities	5,429	-	(111)
Net increase (decrease) in cash and cash equivalents	6,924	(22,128)	(6,143)
Cash, restricted cash and cash equivalents, beginning of period	3,298	28,748	34,891
Cash, restricted cash and cash equivalents, end of period	\$ 10,222	\$ 6,620	\$ 28,748
Supplemental disclosure of cash flow information:			
Cash paid during the period for:			
Interest, net of capitalized interest	\$ 818	\$ 1,166	\$ 929
Reorganization items, net	\$ 1,681	\$ 1,975	\$ 4,784